

**DECLARATION OF ESTIMATED INCOME TAX FOR CORPORATIONS
AND S CORPORATIONS
GENERAL INSTRUCTIONS**

1. PURPOSE OF DECLARATION

This declaration provides a basis for currently paying the income tax of corporations and S corporations. The Hawaii Income Tax Law does not provide for a transitional exemption as under the federal law, hence every corporation must file a declaration of estimated tax unless excused from doing so under section 235-97(a)(5) or 235-97(a)(6), HRS. In addition to the declaration, a corporation must file an annual income tax return after the close of its taxable year. At that time, the balance of tax due, if any, on the year's taxable income over the amount paid as estimated tax must be paid with the tax return.

2. CORPORATIONS WHICH MUST MAKE A DECLARATION

A declaration of estimated tax must be made by every corporation or S corporation unless excused from filing under sections 235-97(a)(5) or 235-97(a)(6), HRS. Section 235-97(a)(5), HRS, provides that if the Director of Taxation is satisfied that less than 15% of a foreign corporation's business for the taxable year will be attributable to the State, the foreign corporation may be excused from filing. Application for exemption from filing a declaration of estimated tax may be made in letter form, two copies being submitted, one of which will be returned granting or denying the request as the case may be. The exemption if granted, is conditional upon the circumstances remaining substantially the same. If, due to a change in circumstances, the business attributable to the State has increased to an extent that it is greater than the 15% requirement, the exemption previously granted automatically terminates and the foreign corporation would be required to file a declaration of estimated tax. The filing date of the declaration would be on or before the next installment date. Section 235-97(a)(6), HRS, provides that a declaration of estimated tax and the payment of estimated tax are not required if the tax liability for the taxable year will be less than \$500.

3. WHEN AND WHERE TO FILE DECLARATION

The payment vouchers that the corporation or S corporation files serve as its declaration of estimated income tax. A quarterly declaration of estimated tax for a corporation or S corporation on a calendar year basis must be filed on or before April 20, June 20, September 20, and on or before January 20 following the close of the calendar year. If the taxpayer is on a fiscal year basis, a declaration must be filed on or before the 20th day of the 4th, 6th, and 9th months of the fiscal year, and on or before the 20th day of the 1st month following the close of the fiscal year. The declaration must be filed with the taxation district office in which the corporation or S corporation expects to file its income tax return. If any due date falls on a Saturday, Sunday, or legal State holiday, the due date is the next regular business day. **See addresses of the taxation district offices on the voucher forms.**

4. AMENDED DECLARATIONS

In the making of a declaration, the corporation or S corporation must take into account the then existing facts and circumstances as well as those reasonably anticipated relating to prospective gross income and allowable deductions for the taxable year. An amended or revised declaration may be made in any case where the corporation or S corporation estimates that its gross income and deductions will materially change the estimated tax reported on the previous declaration. See PART III on the reverse side.

If an amended declaration of estimated tax is necessary, the amended declaration may be computed and filed with the next estimated tax installment payable. The remaining installment(s) of estimated tax payable shall be proportionately increased or decreased, as the case may be, to reflect the amended declaration of estimated tax.

5. AMOUNT TO BE PAID AND TIME FOR PAYMENT

A corporation or S corporation on a calendar year basis must pay the first installment, $\frac{1}{4}$ of the estimated tax due, on or before April 20, the second installment on or before June 20, the third installment on or before September 20, and the fourth installment on or before January 20 of the year following the close of the calendar year. A corporation on a fiscal year basis must pay the first installment on or before the 20th day of the 4th month of the fiscal year, the second installment on or before the 20th day of the 6th month of the fiscal year, the third installment on or before the 20th day of the 9th month of the fiscal year, and the fourth installment on or before the 20th day of the 1st month following the close of the fiscal year. A check or money order in payment of the tax should be made to the "Hawaii State Tax Collector." The check is to be drawn on a U.S. bank in U.S. dollars. Write the corporation's or S corporation's Federal Employer I.D. Number (FEIN) and "1997 N-3" on your check or money order.

6. PENALTY

In the case of any underpayment of estimated tax, there shall be added to the tax, an amount determined at the rate of two-thirds of one percent a month or fraction of a month, on the amount of tax underpaid for the period as provided under section 235-97(f), HRS. Willful failure to make a required declaration of estimated tax is an offense punishable as provided by section 235-105, HRS.

FORM N-3

(REV. 1996)

PART I. TAX COMPUTATION FOR CALENDAR YEAR 1997 OR FISCAL YEAR BEGINNING IN 1997

1. Enter the amount of Federal taxable income expected for 1997

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ADJUSTMENTS TO ARRIVE AT ESTIMATED TAXABLE INCOME FOR HAWAII TAX PURPOSES

ADD:

2. Amount of Capital Gains and Losses for HAWAII tax purposes:

- (a) Net short-term gain
- (b) Net long-term capital gain
- (c) Net gain (or loss) from sale or exchange of property other than capital assets

3. Deduction allowable for federal tax purposes but not allowable or allowable only in part for Hawaii tax purposes - itemize below:

- (a)
- (b)
- (c)

4. Other adjustments.....

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5. Total of items 1 to 4 inclusive.....

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DEDUCT:

6. Dividends from national banks.....
7. Seventy percent of dividends (other than national bank dividends) if deductible under section 235-7(c), HRS
8. Interest on obligations of the United States, Hawaii and instrumentalities thereof
9. Excess of income from sources outside Hawaii received by a foreign or domestic corporation over deductions attributable to or connected with such income
10. Amount of net capital gains and losses as reported on FEDERAL return (this eliminates the Federal capital gain — see line 2 above for Hawaii).....
11. Amortization of casualty losses where election is made to amortized for HAWAII purposes under section 235-7(f), HRS
12. Net operating loss deduction
13. Other deductions or adjustments

14. Total of items 6 to 13 inclusive.....

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15. ESTIMATED TAXABLE INCOME OR LOSS FOR HAWAII TAX PURPOSES (Line 5 minus line 14).....

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PART II. TAX COMPUTATION FOR CALENDAR YEAR 1997 OR FISCAL YEAR BEGINNING IN 1997

1. Enter the amount of taxable income for Hawaii tax purposes expected in 1997 (from line 15, PART I).....

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2. Enter the amount of net long-term capital gain over net short-term capital loss as shown on line 2(b). (If line 2(b) exceeds line 15, enter an amount equal to that shown on line 15. However, if line 15 shows a loss, enter zero.)

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3. Line 1 minus line 2.....

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4. a. Tax on capital gain — 4% of the amount shown in line 2.....

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b. Tax on all other taxable income if amount on line 3 is:

(1) Not over \$25,000 — enter 4.4% of line 3

(2) Over \$25,000 but not over \$100,000 — Enter 5.4% of line 3

Subtract \$250.00 and enter the difference

(3) Over \$100,000 — Enter 6.4% of line 3.....

Subtract \$1,250.00 and enter difference

(250.00)	
(1,250.00)	

c. Recapture of capital goods excise tax credit.....

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5. Total estimated Tax Liability (Add lines 4a, 4b, and 4c).....

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6. Less: Tax credits.....

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7. Total Estimated Tax Due (line 5 minus line 6). Enter here and on line 1 of Vouchers; then complete computation on Voucher.

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PART III. Amended Computation

(Used if your estimated tax substantially changes after you file your first payment voucher.)

1. Amended estimated tax.
2. Less:
- (a) Amount of last year's overpayment elected for credit to 1997 estimated tax and applied to date.....
- (b) Estimated tax payments to date
- (c) Total of lines 2(a) and 2(b).....
3. Unpaid balance (line 1 minus line 2(c)).....
4. Amount to be paid. (line 3 divided by number of remaining installments). Enter here and on line 4 of declaration-payment voucher ...

	Voucher Number	Date	Amount Paid	1996 overpayment credit applied to installment	Total amount paid and credited from the 1st day of the taxable year through the installment date shown. Add (b) and (c).
		(a)	(b)	(c)	(d)
	1				
	2				
	3				
	4				
	Total				

PART IV. Record of Estimated Tax Payments

1997

STATE OF HAWAII — DEPARTMENT OF TAXATION

Form **N-3**
(REV. 1996)**CORPORATION ESTIMATED INCOME TAX**

VOUCHER 4 THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF OF THE 1st MONTH FOLLOWING THE TAXABLE YEAR		LBL UNP OOB
1. Estimated Tax for the year ending • _____ (Month & Year)	\$	PRINT OR TYPE
2. All or part of overpayment from last year credited to estimated tax and payments to date.	\$	
3. Unpaid balance of estimated tax (line 1 minus line 2).....	\$	
4. Amount of this installment payment	\$	
MAIL THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR." Write your Federal Employer I.D. Number and "1997 N-3" on your check or money order.		Federal Employer I.D. No. _____ Hawaii General Excise No. _____ Name of Corporation • _____ Db or C/O • _____ Address • _____ City, State, and ZIP Code • _____
		<input type="checkbox"/> Check box if address changed and make corrections above.

— MAILING ADDRESSES —

Oahu District Office
P.O. Box 1530
Honolulu, HI 96806-1530
(830 Punchbowl Street)

Maui District Office
P.O. Box 913
Wailuku, HI 96793-0913
(54 High Street)

Hawaii District Office
P.O. Box 1377
Hilo, HI 96721-1377
(75 Aupuni Street)

Kauai District Office
P.O. Box 1688
Lihue, HI 96766-5688
(3060 Eiwa Street)

Form N-3**1997**

STATE OF HAWAII — DEPARTMENT OF TAXATION

Form **N-3**
(REV. 1996)**CORPORATION ESTIMATED INCOME TAX**

VOUCHER 3 THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF THE 9th MONTH OF THE TAXABLE YEAR		LBL UNP OOB
1. Estimated Tax for the year ending • _____ (Month & Year)	\$	PRINT OR TYPE
2. All or part of overpayment from last year credited to estimated tax and payments to date.	\$	
3. Unpaid balance of estimated tax (line 1 minus line 2).....	\$	
4. Amount of this installment payment	\$	
MAIL THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR." Write your Federal Employer I.D. Number and "1997 N-3" on your check or money order.		Federal Employer I.D. No. _____ Hawaii General Excise No. _____ Name of Corporation • _____ Db or C/O • _____ Address • _____ City, State, and ZIP Code • _____
		<input type="checkbox"/> Check box if address changed and make corrections above.

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Form N-3

1997

STATE OF HAWAII — DEPARTMENT OF TAXATION

Form **N-3**
(REV. 1996)**CORPORATION ESTIMATED INCOME TAX**VOUCHER **2** THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF
THE 6th MONTH OF THE TAXABLE YEAR

- | | |
|---|------|
| 1. Estimated Tax for the year ending
● _____
(Month & Year) | \$ |
| 2. All or part of overpayment from last year
credited to estimated tax and payments to date. | \$ |
| 3. Unpaid balance of estimated tax
(line 1 minus line 2)..... | \$ |
| 4. Amount of this installment payment | ● \$ |

MAIL THIS VOUCHER WITH CHECK OR
MONEY ORDER PAYABLE TO "HAWAII
STATE TAX COLLECTOR."
Write your Federal Employer I.D. Number
and "1997 N-3" on your check or money
order.

PRINT OR TYPE

LBL UNP OOB

Federal Employer I.D. No.

Hawaii General Excise No.

Name of Corporation

Dba or C/O

Address

City, State, and ZIP Code

☐

Check box if address changed and make corrections above.

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Form N-3**1997**

STATE OF HAWAII — DEPARTMENT OF TAXATION

Form **N-3**
(REV. 1996)**CORPORATION ESTIMATED INCOME TAX**VOUCHER **1** THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF
THE 4th MONTH OF THE TAXABLE YEAR

- | | |
|---|------|
| 1. Estimated Tax for the year ending
● _____
(Month & Year) | \$ |
| 2. All or part of overpayment from last year
credited to estimated tax and payments to date. | \$ |
| 3. Unpaid balance of estimated tax
(line 1 minus line 2)..... | \$ |
| 4. Amount of this installment payment | ● \$ |

MAIL THIS VOUCHER WITH CHECK OR
MONEY ORDER PAYABLE TO "HAWAII
STATE TAX COLLECTOR."
Write your Federal Employer I.D. Number
and "1997 N-3" on your check or money
order.

PRINT OR TYPE

LBL UNP OOB

Federal Employer I.D. No.

Hawaii General Excise No.

Name of Corporation

Dba or C/O

Address

City, State, and ZIP Code

☐

Check box if address changed and make corrections above.

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